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AFSAC: 25/30

8 February 1950

MEMORANDUM FOR MEMBERS OF AFSAC:

Subject: Special Report on Cryptologic Consolidation as of 31 January 1950

1. The Director, AFSA, has submitted the attached report to General McNarney, Chairman, Management Committee, Office of the Secretary of Defense. The oral request which occasioned the report asked for (a) information on numbers of personnel assigned respectively to production and non-production cryptologic efforts at the beginning of consolidation and at the present time and (b) information on costs of moves incident to consolidation.

2. It is requested that each member of AFSAC review this report and submit comments to the Director, AFSA, with particular attention to any possible recommendations for reducing the number of personnel assigned to non-production work, both in AFSA and in the Service activities.



EARL E. STONE
Rear Admiral, U.S. Navy
Director, Armed Forces Security Agency

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ARMED FORCES SECURITY AGENCY
WASHINGTON 25, D. C.

Serial: 00067

8 February 1950

MEMORANDUM FOR THE CHAIRMAN, MANAGEMENT COMMITTEE, OFFICE
OF THE SECRETARY OF DEFENSESUBJECT: Special Report on Cryptologic Consolidation as
of 31 January 1950

1. In compliance with oral request, there is submitted herewith a report on employee utilization in the consolidated cryptologic effort under the Armed Forces Security Agency (AFSA), and a report on costs of moves necessitated by consolidation, which has been effected in the following principal phases:

a. On 1 October 1949, the Director, AFSA, assumed operational control of AFSA cryptologic activities.

b. On 25 October 1949, the Joint Chiefs of Staff approved the detailed plans for consolidation of major cryptologic activities.

c. On 25 December 1949, the Director, AFSA assumed administrative control of all civilian personnel allocated to AFSA.

d. By the end of January 1950, reorganization and moving incident to implementation of the approved consolidation plans were practically completed, although much shaking-down is still required to make consolidation complete and fully effective.

It is still too early in this shaking-down period to consider as final any evaluation of effects of consolidation. Since command and administration represent overhead, the number of persons assigned to AFSA command and administration are being kept to the absolute minimum. The Director, AFSA, is endeavoring to assist the Services in their efforts to this same end.

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2. The Enclosure shows functional disposition of civilian and military personnel actually assigned to the cryptologic effort as of 30 September 1949 (the day preceding assumption of operational control by the Director, AFSA) and 31 January 1950. Total authorizations also are shown. Separate figures are shown for Army Security Agency (ASA), Navy Communication Supplementary Activity (CSA), and AFSA. The Air Force Security Service (AFSS), at the time AFSA was created, was engaged solely in activities now authorized by JCS 2010 to be carried on by each Service. AFSS figures are therefore not included in comparative statistics pertaining to AFSA, except for 120 Air Force spaces which have been authorized for AFSA. This results in a reduction in personnel authorized for actual work in AFSS from 942 to 822. AFSS figures are shown separately at the bottom of the Enclosure.

3. In arriving at the distribution of personnel by function, it has been necessary to make certain arbitrary adjustments in view of differences in organization and methods of accounting in the Army and Navy. The following salient points are noted in connection with the Enclosure:

a. Present actual AFSA strength is 8.6 percent below the authorized level. Personnel reductions in some cases have been caused by normal attrition which could not be replaced because of shortage of funds, and therefore do not represent actual savings.

b. In accordance with the basic directives concerning the establishment of AFSA, each Service is required to provide and operate certain cryptologic activities which require a command and administrative staff. AFSA also must have a command and administrative staff. In order to save

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administrative personnel, AFSA and the Service cryptologic organizations are now performing certain administrative and support functions for each other where cross-servicing will effect savings. For example, AFSA is utilizing available facilities of the Services for transportation, procurement of supplies and equipment, contracting, and communications in order to keep the number of AFSA personnel engaged in such work to the absolute minimum consistent with effective operation of AFSA. Similarly, AFSA is performing all necessary civilian personnel functions for ASA Headquarters. AFSA is studying with the Services the question of additional cross-servicing, but it does not appear that it will be feasible to consolidate administrative functions as fully as originally hoped by the Director.

c. In considering the figures for command, administration, and support for the three residual agencies, it should be noted that AFSS and ASA are largely self-contained organizations whereas CSA relies upon other activities of the Navy for much assistance in the performance of these functions. For example, the Marines provide 92 guards for NCS that are not charged against CSA.

4. With reference to the cost of moves incident to the relocation of numerous AFSA facilities as between Arlington Hall Station (AHS) and Naval Communication Station, Washington (NCS), it should be noted that all costs were absorbed by operating funds already available. Only \$3,288.10 (for transportation contracts and changes in communication facilities) represented direct monetary expenditures for services not already available. However, there were certain additional indirect costs, including unavoidable disruption of cryptologic production, labor, engineering facilities and construction, and additional transportation and changes in communication facilities.

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ties, all of which were provided from facilities and labor on hand. Approximately 38,750 worth of consolidation supplies, which will need to be replaced, were used in modeling work spaces. Certain additional outlays will be necessary as a result of the move. For example, increased telephone facilities will require some improvement, and the relocation of certain units will require augmentation of existing air-conditioning and fire-protection equipment. The cost of these items cannot be determined at this time.

5. The production of decrypted messages during October-December 1949 did not show as great a decrease as had been anticipated as a result of the moves incident to consolidation. In fact, the results for this period compare favorably with the average for the preceding three quarters of the year. Monthly variations for the period October-December 1949 are well within the normal range of fluctuation for the rather unpredictable work of cryptanalysis. The number of identified foreign cryptographic systems has increased steadily throughout most of 1949. The number yielding to cryptanalytic attack has likewise increased. Details of these results are of a higher classification, but will be supplied by the Director, AFSA, personally, if required. Examination of various communication security problems after consolidation has indicated areas in which there is excellent promise of gains, but considerable joint study and adjustment are required before the gains can be realized.

6. Copies of this report are being circulated to members of the Armed Forces Security Agency Council with the request that they be studied and commented on by the Director, AFSA, with particular attention to recommendations for reducing the number of personnel assigned to

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command and control and to administration, both in AFSA
and in the residual Service activities. Pertinent com-
ments received will be submitted in a similar report about
three months hence, or when required.

/s/ Earl E. Stone
EARL E. STONE
Rear Admiral, U.S. Navy
Director, Armed Forces Security Agency

1 Enclosure

Personnel Strength by Functions
at Washington Crypt Hdqs. and at
Brooks Field.

Copies furnished:
1 to each member of AFSAC

AUTHENTICATED:

F. E. Denismore
F. E. DENISMORE
Captain, SigC
Chief, AFSA Secretariat

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PERSONNEL STRENGTH BY FUNCTIONS AT CRYPTOLOGIC HEADQUARTERS
(Authorized strengths shown in parentheses)
A - 30 Sep 1949 B - 31 Jan 1950

WASHINGTON

SERVICE		FUNCTIONS										GRAND TOTAL	
		Command and control		Adminis- tration		Coopera- tions		Service ^a support		Staff co- tives ^b			
		A	B	A	B	A	B	A	B	A	B	A	B
A S A	Mil	108	74	286	296	144	13	23	23	20	21	583 (523)	127 (383)
	Civ	49	64	121	69	2235	62	95	53	139	17	2639 (2680)	283 (285)
	Tot	157	138	407	365 ^c	2379	75	120	76	159	38	3222 (3205)	692 (668)
C S A	Mil	72	53	55	53	761	95	72	79	29	23	991 (1208)	233 ^d (203)
	Civ	13	12	17	2	855	57	17	6	14	3	916 (928)	60 (64)
	Tot	85	70	72	55 ^d	1616	72	97	85	43	26	1907 (2136)	293 (299)
A F S A	Mil		30		53		807		21		17		930 (1221)
	Civ		21		67		2976		52		50		3162 (3264)
	Tot		51		122 ^e		3783		73		67		4092 (4485)
T O T	Mil	180	162	341	404	905	853	99	123	49	66	1574 (1733)	1630 (1837)
	Civ	62	97	138	138	3090	3077	112	111	153	70	3555 (3608)	3493 (3615)
	Tot	242	259	479	542	3995	3932	211	234	202	136	5129 (5341)	5123 (5452)

EROS AT FORCE BASE

A F S S	Mil	46	62	67	87	63	136	23	51	20	50	221 (535)	386 (455)
	Civ	13	21 72	24	27	21	132	2	6	0	0	72 (307)	157 (367)
	Tot	59	82	91	114	84	268	32	57	20	50	296 (942)	543 (822)

EX-1

Mil - Military
Civ - Civilian

- a. Supply and communications
- b. Instruction, enroute, awaiting assignment
- c. Includes 109 security guard and police
- d. Includes 18 security guard and police
- e. Includes 10 security guard and police
- f. Excess due to personnel awaiting re-assignment

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